II. BOARD MEMBER CONFLICT OF INTEREST

These definitions shall apply to this policy:

"Conflicting Interest Transaction" means:

A contract transaction or other financial relationship between the SPOA and a Director of SPOA or between SPOA and a Related Person or between SPOA and an entity in which a Director is a director or officer or has a financial interest.

"Related Person" means: A spouse, ancestor, descendant or sibling of a Director, the spouse or descendant of a sibling of a Director, an estate or trust in which the Director or a party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.

1. If any proposed contract, decision or other action on behalf of the Board would financially benefit a Director or a Related Person to the Director, the Director may participate in the discussion of the proposed contract, decision or other action but may not vote on the issue.

2. Prior to any discussion of a proposal in which a Director or a Related Person to the Director has a financial interest or which proposal would otherwise be a Conflicting Interest Transaction, the Director shall declare a conflict of interest for the issue in an open meeting.

3. No Conflicting Interest Transaction shall be void or voidable or be enjoined, set aside or give rise to an award of damages or other sanctions in a proceeding by a Member of SPOA or by or in right of SPOA, solely because the Conflicting Interest Transaction involves a Director or solely because the Director is present at or participates in the meeting of the Board which authorizes, approves, or ratifies the Conflicting Interest Transaction if:

a. The Director declared the conflict of interest at an open meeting prior to the discussion of the issue, disclosing the material facts as to the Director's relationship or interest and as to the Conflicting Interest Transaction; and

b. The Board, in good faith, authorizes, approves or ratifies the Conflicting Interest Transaction by an affirmative vote of a
majority of the disinterested Directors, even though the disinterested Directors total less than a quorum; or

c. The Conflicting Interest Transaction is authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

d. The Conflicting Interest Transaction is fair to SPOA.